

Questions related to the Grand Canal sand issue we would appreciate answers for before or at the 7/8 County Commission Workshop:

Dredging Urgency for Keeping Canal Open and Safe:

1. What is the status of all dredging permits the commissioners directed staff to begin pursuing at the 3/5/2020 commission meeting?

Prior to submitting for state and federal permits there is extensive data collection and analysis required including environmental, archeological, geotechnical, coastal modeling and other data activities necessary for those permits. That work is now complete and the permit applications and all supporting information are expected to be submitted this month (June 2021). See also, response to #3.

2. What can be done to move dredging up ASAP to keep the canal open, keep it safely navigable and stop the dry sand "Quiet Title" that is occurring, and can any emergency action be taken, if needed?

We are working as quickly as possible completing the necessary work on the design and permitting, but we still require US Army Corps of Engineers (USACE) and Florida Department of Environmental Protection (FDEP) approvals. One property filed for quiet title, not all the property owners have done so.

The County is cautious and seeks input from federal and state permitting agencies on issues of riparian ownership. In the case of the Grand Canal, the County Attorney's Office and FDEP have verified that should an avulsion occur depositing sand in the Grand Canal, removal of that sand could be approved by the USACE and FDEP.

3. How can the overall canal issue be raised to a priority with the county, and any other appropriate entities, to speed up the project and the start for taking action?

Grand Canal is a priority and design and permitting have been ongoing since the study was completed in May 2020. We've met with the permitting agencies throughout the past year, particularly to facilitate our permits and more so, to determine potential beneficial reuse of dredge materials.

A decision on the beneficial reuse of the dredge material, which impacted our timelines, has the potential to *significantly* reduce the cost of the initial dredge and possibly lay a path for future maintenance. The USACE and FDEP are aware of this priority and integral to approving reuse of the dredged sand.

Canal Designation:

4. With the vast majority of the canal usage through a commercial business, as the marina dock master stated at the 6/8 commission meeting that 90% of the traffic is through commercial use, who or how does the Grand Canal get properly designated to reflect it's Commercial usage?

Canals and other local waterways do not have zoning designations, i.e. residential, commercial, etc. For Grand Canal, the USACE have advised there is no federal role or funding available to dredge the canal. The USACE maintains the Intracoastal Waterway (ICW) as well as the connecting Blind Pass and Pass-A-Grille Channels as

federal channels. Channels and waters that do not meet the USACE criteria must be maintained by other means. See also, response to #6.

5. Can the canal also be considered a State Emerging Strategic Intermodal System (SIS) facility?

The Grand Canal does not meet the criteria for SIS funding. SIS facilities are large scale ports operations that include Port of Tampa and Port of Manatee. https://fdotwww.blob.core.windows.net/sitefinity/docs/default-source/planning/systems/sis_fundingeligibility_2019_final.pdf?sfvrsn=d26cd28c_2

6. Does a proper designation of the canal's commercial usage open up more funding sources?

Current County policy and code provisions for navigational dredging, such as Grand Canal, is that such projects are performed through an assessment process. As such, we do not have a funding source for dredging channels. Any cost associated with establishing a program for this would also have to have a funding source. While that policy can change, any changes would set precedent for other canals across the county which need to be carefully weighed. We have completed similar special assessments in the past, i.e. McKay Creek.

Multi-jurisdictional issue: This is a multi-jurisdictional issue where the commercial businesses on the canal generating sales tax, gas tax and tourist tax revenues are in the city of St. Petersburg, residents who live on the canal are in unincorporated Pinellas and the state owns the submerged land bottom of the canal.

7. How are such multi-jurisdictional issues handled by Pinellas County, is this issue somehow unique or does the County consider this only a County issue?

The Grand Canal is largely comprised of unincorporated parcels; however, there is county-wide authority over water and navigation control programs in both incorporated (St. Petersburg) and unincorporated areas. As discussed, all parcels, regardless of jurisdiction have been included in the study area and all parcels will share in the assessment.

8. What obligation does the State have to keep the channel open considering canal property owners pay (and have paid for decades) submerged land lease fees to the State?

The state does not have an obligation to maintain navigability of sovereign submerged lands. They are simply the submerged landowner. The State of Florida acquired title to sovereignty submerged lands on March 3, 1845, by virtue of statehood. Sovereign submerged lands include all submerged lands, title to which is held by the Board of Trustees (Governor and Cabinet) of the Internal Improvement Trust Fund.

9. What does the State do with the submerged land lease fees collected from property owners on the canal?

The revenue from the sovereign submerged lands leases goes into the State of Florida's Board of Trustees Internal Improvement Trust Fund. This fund is used to

fund activities including the Division of State Lands. These revenues are not shared back with local jurisdictions – counties and cities.

Funding:

10. HB7087 was passed in 2018 by the state legislature that broadened the use of the tourist development tax to include “channel improvements.” Can tourist tax funding be used for this project?

If dredged material is placed as part of a beach nourishment project, it appears that that Tourist Development Tax (TDT) funds may be used to some extent. In addition, if the Tourist Development Plan were amended by the BCC to include “Channel Improvement or Maintenance,” TDT funds could likely be used. Further verification from the County Attorney’s Office is required on these points.

Using TDT funds would set a precedent for canal and waterway maintenance county-wide. The existing Tourist Development Plan currently identifies tourism-related priorities and is most often used for public and non-profit projects, programs, and purposes. Using TDT funds for waterways maintenance would be a policy change inconsistent with past non-ad valorem assessments of other upland property owners for waterway maintenance.

11. What other funding sources (local, state, federal), besides an assessment to the property owners on the canal, may be available to help fund the dredging and other phases of the canal project to provide a long term fix to the problem?

As mentioned, the current County policy on navigational dredging is to assess the specially benefitting property owners. The County has inquired about federal and state funding and there are no programs available.

The proposed approach for Grand Canal is to find a *public use* of the dredge material for a local beach project which would then allow for *public funding* in combination with an assessment for those costs that are not eligible. If the dredge material is placed for a local beach project, we may also be able to designate a portion of dredged areas as future borrow locations that may help address future maintenance. See also, response to #3.

12. Are any funds available from the new gambling agreement the State made recently with the Seminole Tribe?

Although, this funding source is considered public tax dollars, the currently proposed uses are for public programs at the state level.

13. With the canal sand issue tied to beach re-nourishment and sand shifting, how are Pinellas County beach re-nourishment projects funded and are beach property owners assessed at all for those projects?

As discussed at the community stakeholder meetings in 2019, sand from beach nourishment is not the source of the sand to Grand Canal. The source of the sand is from erosional processes along Shell Key.

Beach nourishment is funded by federal, state, and local funds. Sand placement is primarily westward of the erosion control line which is the boundary between public and private property.